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SUBJECT: PASSENGER RAIL'S RETURN HINTS AT CHALLENGES AND OPPORTUNITIES

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¶11. (U) SUMMARY: On December 16 the Iraqi Republic Railway (IRR) renewed scheduled passenger service between Baghdad and Basrah for the first time since before the 2003 invasion. The first week of service was marred by two attacks--one suicide bomb and one IED--and a train-automobile collision under arguably suspicious circumstances. Security challenges notwithstanding, the Office of the Transportation Attach (OTA) continues to work closely with the IRR and the Ministry of Transportation (MoT) to help them maximize the railway's commercial potential through infrastructure improvements, training, technical assistance, and capacity development. In 2008 several USG-funded, OTA-managed projects should enhance the railway's capacity to serve both Iraqi and Coalition customers. The GOI must, however, invest more in the system and its security to solidify its role as an economic activity enabling transportation infrastructure. END SUMMARY.

PASSENGER RAIL RETURNS

¶12. (U) On December 16 the IRR renewed scheduled passenger service between Baghdad and Basrah for the first time since before the 2003 invasion. The IRR now offers two trains per day, seven days per week, on the 552 kilometer (KM) route: a 09:00 Baghdad to Basrah arriving in the evening and a 21:00 Basrah to Baghdad arriving in the morning. The trains average 40 KMs per hour and, passengers depending, stop at approximately 30 stations. Each train set consists of a diesel locomotive, a power car, a sleeper, and three coaches; the sleeper holds a maximum of 80 passengers, and each coach holds 70. Iraqis have shown interest in the service so far, drawn in part by the low fares. A coach ticket sells for 2400 Iraqi Dinar (ID) or approximately USD 2. The sleepers have sold out completely, and the coaches have been approximately 60 percent full.

EXTREMISTS CHALLENGE RAIL SECURITY

¶13. (U) Scheduled passenger rail presents an easier target for extremists than the more irregular cargo service. Extremists exploited this vulnerability at least twice during the first week of passenger service. On December 19, a female suicide bomber detonated her charge outside a coach car at a station roughly 50 KMs south of Baghdad. The explosion killed the attacker and derailed the car. The IRR reported no other injuries. On December 21, an IED prematurely detonated north of Latifiyah, killing the bomber and damaging the nearby track. The explosion temporarily disrupted service, but injured nobody and damaged no other IRR equipment or facilities. In addition to these attacks, on December 23 the southbound train collided with a minivan at a known rail crossing near Hillah. The nature of the incident--suspicious

or merely unfortunate--is still a matter of debate. (NOTE: The vehicle's driver had the wherewithal to flee the scene before impact, leaving the eleven remaining occupants of the van to die. END NOTE.) No injuries were reported on the train.

IRR AND OTA WORKING TO UNLOCK THE NETWORK'S POTENTIAL

¶4. (U) OTA continues to work closely with the IRR and the MoT to maximize the railway's commercial potential through infrastructure improvements, training, technical assistance and capacity development. OTA's overarching goal is to help the IRR formulate a strategic vision for the network and adopt and implement a business model suited to that vision. Passenger rail is unlikely to be a significant revenue generator for the IRR with fares so inexpensive, but the state-run company's cargo service has greater potential. Presently the IRR runs an average of seven cargo trains per day. Each cargo train consists of nine container cars, and USD 400 is a common tariff per container. Current payloads include supplies for Iraqi and Coalition forces, heavy fuel oil for power plants, and bulk commodities from the Port of Umm Qasr.

¶5. (U) Several USG-funded, OTA-managed projects should help the IRR serve its customers in 2008. Two related projects--the Communications Based Train Control System (CBTC) and the Digital Microwave Radio Communications Network (DMRCN)--should be operational by mid-year. The CBTC is a USD 14 million project that will modernize the IRR's antiquated system for directing train traffic, allowing technicians to manage the rail system from the Dispatching

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Department based in the Baghdad station. The USD 38 million DMRCN is the CBTC's communications medium, comprised of 33 microwave telecommunications towers positioned along the train routes. The IRR has selected eleven technicians to be trained on the CBTC equipment in Cedar Rapids, Iowa, in the first quarter of 2008. The technology and its Iraqi operators should improve both efficiency and safety of the railway network.

¶6. (U) But fundamental challenges remain. The light-weight track that runs from Basrah to Baghdad to Mosul needs replacing: it is over 60 years old and has been neglected since the Iran-Iraq war. In addition, the IRR complains that the Rail Police, which formerly reported to the IRR itself but now falls under the Ministry of the Interior, are inexperienced and ineffective. IRR employees report that militias and criminals associated with trucking cartels continue to threaten them.

¶7. (U) COMMENT: The December attacks on the passenger rail service highlight the difficulty of securing the railway. OTA will continue to engage the MoT and the IRR to assist them in strategic planning, identifying priorities, developing a sound business model, and executing contracts to achieve their goals. But greater MoT investment in railway security and new track will be essential to maintain and expand its passenger and cargo services. Continued neglect of the system will leave underutilized the railway's latent potential to move people and goods into, out of, and through Iraq.

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